

SPOTLIGHT ON THE STATE OF NORTH DAKOTA

LEADING THE WAY

The *North Dakota Department of Commerce* is the state's lead economic development agency and is charged with coordinating and focusing the state's economic development resources. These efforts are made possible through working closely with local and regional developers across North Dakota. The Department of Commerce was created during North Dakota 2001 legislative session, merging offices and functions to form one cohesive agency.

The Department of Commerce is made up of four divisions:

The **Economic Development and Finance Division (ED&F)** provides financial packages, tax incentives, research for local and community economic development organizations, and support and information for economic development around the state.

The **Division of Community Services (DCS)** provides effective, efficient and customer oriented administration of federal and state programs for community development, energy efficiency, housing and self sufficiency.

The **Workforce Division** is responsible for monitoring local, regional, and national workforce initiatives and the development and implementation of the State's Talent and intelligence coordination strategies.

The **North Dakota Tourism Division** oversees one of North Dakota's largest industries, promoting the state's wide-ranging travel and vacation opportunities to residents and out-of-state visitors alike.

The Department of Commerce's mission is to lead North Dakota's efforts to attract, retain and expand wealth, targeting five industries to broaden the state's economic base, create new wealth and generate quality jobs for our people. These target industries are value-added agriculture, advanced manufacturing, technology-based business, tourism, and energy.

The *North Dakota Economic Development Association of North Dakota* (EDND) is compiled of city and county economic development organizations throughout the state of North Dakota. Its mission is to economic opportunities for residents of the state by supporting primary sector growth, professionalism among economic development practitioners, and cooperation among development organizations. The EDND works closing with the North Dakota Department of Commerce on legislative issues and in promoting the State of North Dakota.

ENERGY, ENERGY, ENERGY

The energy industry has always been a major part of North Dakota's economy, but never so much as in recent years. Oil and gas, lignite coal, and wind energy all play a major role in the state's economy, and seem only to continue to grow. .

Oil and gas extraction - In 2009, North Dakota surpassed Louisiana to become the fourth largest oil producing state in the nation. In-state crude output rose sharply between 2008 and 2009, with oil production increasing from 17 million barrels to 79.4 million. Predictions for 2010 call for similar increases.

While much of the rest of the country looks to climb out of recession and to lower their unemployment rates, North Dakota continues to see unemployment rates at 3.5% and below. Rather than a shortage of jobs for workers, there are a shortage of workers for many of the jobs, specifically within the oil industry. Oil and gas companies will drill around 1,000 wells this year. That level of economic activity requires workers to run the rigs, drivers to carry product and equipment, technical workers and all of the support jobs that spin off from oil and gas. According to the North Dakota Petroleum Council, it takes about 74 companies to drill a well with approximately 120 direct and indirect jobs. The wages in the oil patch make it an attractive employment option . . . Job Service North Dakota reports that in fiscal year 2009-09 the average yearly wage in the oil and gas extraction industry was \$82,803, or 132.5% above the statewide average of \$35,618.

Coal - Oil is not the only segment of the energy industry thriving in North Dakota. The state is one of the country's top ten coal-producing states, mining approximately 30 million tons every year since 1988. Electricity generated from lignite coal at six North Dakota power plants powers the region and makes the state a net-exporter of electricity. In addition, the Great Plains Synfuels Plant is the only commercial-scale coal gasification plant in the United States that manufactures natural gas. It produces approximately 160 cubic feet of natural gas per day, plus usable by-products.

Wind – North Dakota is located in the center of the North American Wind Energy Corridor and is generally considered to have one of the highest potential wind resources. In North Dakota alone, there is already approximately 1,200 MW of wind generation currently in production with another 5,000 MW announced or proposed. If only a portion of that proposed wind generation is placed into service, thousands of MW worth of new towers, turbines and blades will be needed just in North Dakota. This overlaps into wind energy components manufacturing, a steadily growing North Dakota industry sector.

NORTH DAKOTA ADVANTAGES

“We have been working hard to build a strong, responsive business climate in North Dakota to provide emerging and expanding businesses with the resources they need to grow and succeed in our state. We've simplified our tax system and created new tax incentives, streamlined regulatory processes, developed flexible financing programs, and readied our workforce for the high-demand careers of the future.” -- Governor John Hoeven

North Dakota's business climate has gained a reputation for supporting emerging businesses, entrepreneurs and expansions. The state's growing manufacturing, technology-based businesses, agricultural and energy industries, enhanced with numerous incentives, are drawing some of the world's most recognized companies into the state. Business incentives, government accessibility, and workforce performance, combined with North Dakota's favorable position as one of the lowest cost states for operating a business, are driving top companies to establish operations in North Dakota. Some of the incentives North Dakota has to offer include property tax, corporate income tax and sales tax exemptions, no personal property or inventory tax, workforce training programs, development grants and low-interest loans, and the only state-owned bank in the US, the Bank of North Dakota.

NATIONAL RECOGNITIONS

North Dakota and its cities are regularly recognized for their business-friendly policies, quality places to live and work, and the ability to find employment. This has been especially evident in the past 18 months as North Dakota, while not completely untouched by the recession, continued on a steady course and continuing to maintain a state government budget surplus. Some of the recent rankings include

- #5 on the Forbes list of Best States for Business
- the least economically stressed state on the Associated Press Economic Stress Index
- the nation's top overall economic growth performer for the past decade according to the US Chamber of Commerce
- two MSAs (Bismarck and Fargo) in the top ten of the Forbes list of Best Small Places for Business and Careers
- the Bismarck MSA ranked by MSNBC as the # 5 (of 384) city for new jobs created,

For more information contact the ND Department of Commerce at 1.866.4DAKOTA or www.ndcommerce.com.